

association of
independent colleges and universities
of michigan

Edward O. Blews, Jr.
President



MICHIGAN NATIONAL TOWER
124 WEST ALLEGAN, SUITE 650
LANSING, MICHIGAN 48933-1707
TELEPHONE: (517) 372-9160
FAX: (517) 372-9165

THE INVALUABLE SERVICE OF MICHIGAN'S
INDEPENDENT, NONPROFIT COLLEGES/UNIVERSITIES
& THE CRITICAL IMPORTANCE OF THE NEED-BASED
MICHIGAN TUITION GRANT PROGRAM
(A COMPELLING CASE STATEMENT)

**[PRESENTATION TO MICHIGAN HOUSE OF REPRESENTATIVES'
HIGHER EDUCATION & CAREER PREPARATION COMMITTEE]**

**Association of Independent Colleges
and Universities of Michigan**

Michigan's excellent independent, nonprofit colleges and universities make an incredible, invaluable and irreplaceable contribution to the State's economic vitality, educational excellence, and quality of life. This document summarizes the compelling case for Michigan independent higher education and the longstanding, wise public policies which recognize and encourage its service to the people of Michigan.

Michigan's independent, nonprofit colleges and universities provide invaluable service to the people of Michigan and successfully serve a remarkable profile of students for whom affordability is a constant concern. They do so at substantial savings to the taxpayers, made possible by the State's longstanding assistance programs (particularly the need-based Michigan Tuition Grant program) enacted and sustained on a bipartisan basis.

The independent colleges and universities in Michigan annually enroll and educate more than 109,000 regularly-matriculating students and are providing educational services to a total of more than 140,000 persons. Approximately 90% of their students are Michigan residents, and the vast majority are from low and middle-income families. Remarkably, 15.53% of Michigan independent college students are African-American and 21.37% are minorities, consistently the highest percentages among all the sectors of higher education in Michigan. Significant numbers of these students are first generation college students and disadvantaged students. Most of them urgently require need-based financial aid to be able to go to their independent college.

The Michigan Tuition Grant program remains absolutely critical to the ability of needy Michigan resident students to attend independent colleges and the ability of the colleges to continue to effectively serve these students and the State.

ADRIAN COLLEGE
ALBION COLLEGE
ALMA COLLEGE
ANDREWS UNIVERSITY
AQUINAS COLLEGE
BAKER COLLEGE OF FLINT
*BAKER COLLEGE OF CADILLAC
*BAKER COLLEGE CENTER FOR GRADUATE STUDIES
*BAKER COLLEGE OF CLINTON TOWNSHIP
*BAKER COLLEGE OF EASTERN MICHIGAN
*BAKER COLLEGE OF JACKSON
*BAKER COLLEGE OF OWOSO
BAKER COLLEGE OF MUSKEGON
CALVIN COLLEGE
CLEARY UNIVERSITY - WASHTENAW CAMPUS
*CLEARY UNIVERSITY - LIVINGSTON CAMPUS
COLLEGE FOR CREATIVE STUDIES
CONCORDIA UNIVERSITY
THOMAS M. COOLEY LAW SCHOOL
CORNERSTONE UNIVERSITY
DAVENPORT UNIVERSITY - DEARBORN CAMPUS
*DAVENPORT UNIVERSITY - FLINT CAMPUS
*DAVENPORT UNIVERSITY - WARREN CAMPUS
DAVENPORT UNIVERSITY - GRAND RAPIDS CAMPUS
*DAVENPORT UNIVERSITY - HOLLAND CAMPUS
*DAVENPORT UNIVERSITY - KALAMAZOO CAMPUS
*DAVENPORT UNIVERSITY - LANSING CAMPUS
DAVENPORT UNIVERSITY - MIDLAND CAMPUS
FINLANDIA UNIVERSITY
HOPE COLLEGE
KALAMAZOO COLLEGE
KETTERING UNIVERSITY
LAWRENCE TECHNOLOGICAL UNIVERSITY
MADONNA UNIVERSITY
MARYGROVE COLLEGE
NORTHWOOD UNIVERSITY
OLIVET COLLEGE
ROCHESTER COLLEGE
SAINT MARY'S COLLEGE
SIENA HEIGHTS UNIVERSITY
SPRING ARBOR UNIVERSITY
UNIVERSITY OF DETROIT MERCY MCNICHOLS CAMPUS OUTER DRIVE CAMPUS
*UNIVERSITY OF DETROIT MERCY SCHOOL OF DENTISTRY
*UNIVERSITY OF DETROIT MERCY SCHOOL OF LAW
WALSH COLLEGE OF ACCOUNTANCY AND BUSINESS ADMINISTRATION
WILLIAM TYNDALE COLLEGE

*AFFILIATE MEMBER

When times are so tough as they are now, independent colleges represent an even more valuable and important investment for the State. Michigan independent colleges save the State Budget and ultimately the taxpayers significant sums of money (conservatively calculated at \$340 million a year), made possible by the State's relatively modest (but extraordinarily helpful and appreciated) investment in the Michigan Tuition Grant program. Thus, independent colleges play a vital role in helping limit and ultimately reducing pressures on the State Budget, while greatly advancing the educational opportunities and achievements of the State's citizens.

INVALUABLE ROLE IN PLURALISTIC HIGHER EDUCATION SYSTEM

Michigan's independent colleges and universities are integral components of our pluralistic higher education system, a vital role made possible and strengthened by the State's support. These independent colleges provide educational programs, focuses and perspectives not otherwise available to the people of this State. They feature intensive, focused liberal arts and undergraduate education as well as high technology curriculums, practical business education, strong graduate and professional programs and other unique curricula. They are able to specialize and focus on their particular missions. Being relatively small campuses, they offer very personalized educational settings integrating learning and living. Many come out of unique historic missions and religious heritages. They offer the people of Michigan genuine choices. And they help provide and encourage healthy competition in higher education that makes all of us – independent colleges and public universities – better.

Michigan's citizens truly are blessed with choices among outstanding independent colleges, excellent public universities and fine community colleges. That pluralistic combination of institutions best serves the people of this State.

EXTRAORDINARY ECONOMIC IMPACT; EXCELLENT EDUCATIONAL SERVICE

While relatively small individually (which is a strength), Michigan independent colleges and universities together comprise a very large and extraordinary higher education enterprise. They perform unique, invaluable and irreplaceable service to the people of Michigan, made possible by the State's assistance.

Our Michigan independent, nonprofit colleges and universities contribute immeasurably to the educational, cultural, and economic well-being of this State and its communities. These independent colleges and universities in composite...

... enroll more than 109,000 regular students and provide educational service to a total of more than 140,000 persons;

- ... save the taxpayers of this State a net of more than \$340 million a year, after accounting for the State assistance programs. [In other words, it would cost the taxpayers \$340 million more a year in operating appropriations alone to educate in public institutions the Michigan residents attending independent colleges. (This does not even take into account that it would cost the State \$2.95 billion to replicate the independent college campuses, built without direct taxpayer funding.) These taxpayer savings are only possible because of the State's investment in the Michigan Tuition Grant program.];
- ... now exert a positive Economic Impact on this State's economy of more than \$5.5 billion annually;
- ... represent a composite physical infrastructure now valued at more than \$2.95 billion, built without direct taxpayer capital funding;
- ... offer programs and degrees at every level (associate, baccalaureate, masters, doctoral, dental, law) and in virtually every discipline; and
- ... represent compositely a comprehensive educational system far larger than any single university in the State.

Impressive as that is, the most significant measure of Michigan's independent colleges is to be found in their educational services and the profound differences they make in the lives of people, real Michigan people.

SERVING THE PEOPLE OF MICHIGAN (SURPRISING DEMOGRAPHICS)

Michigan's independent colleges and universities continue to serve and serve successfully a surprising constituency for whom affordability is a constant concern. Consider this snapshot of Michigan independent higher education's 109,000+ students:

- ... approximately 90% are Michigan residents;
- ... the vast majority are from low and middle-income families of modest means, who make significant sacrifice to choose an independent college;
- ... approximately three-fourths of them require some form of financial aid to be able to afford their independent college;
- ... 15.53% are African-American and 21.37% are minorities, (both the highest percentages among the sectors of Michigan higher education), based on the most recently available data; and

... significant numbers are first generation college students and disadvantaged students.

When these Michigan residents choose an independent college, they face a much higher tuition (averaging \$15,859 in 2004-05 among all independent colleges) because independent college tuitions must cover on average nearly 90% of their cost of education. These Michigan residents sacrifice the direct benefit of the State appropriation subsidy (currently averaging approximately \$5,800 per student in our fine public universities) and indirect benefit of State capital funding which result in much lower tuition for residents attending public universities. Hence needy students attending Michigan independent colleges and universities need higher levels of State need-based assistance (provided through the Michigan Tuition Grant program) to be able to attend their college, still at great personal and family financial sacrifice.

Consequently and to repeat, the Michigan Tuition Grant program is absolutely essential to the ability of more than 40,000 of these Michigan resident students to choose independent colleges and the ability of these colleges to effectively serve them.

Keeping our commitment in the partnership with the State to serve Michigan's citizens, independent colleges also devote substantial institutionally-funded student aid (now exceeding \$190 million) out of their own resources and budgets to assist their students.

WISE PUBLIC POLICIES RECOGNIZING INDEPENDENT COLLEGES

Michigan in its public policies and programs has long recognized and supported these vital roles of its independent, nonprofit colleges and universities as integral components in our pluralistic higher education system, as have virtually all other states. It has realized that these independent colleges provide unique and valuable educational options for the people of Michigan at a substantial net savings to the taxpayers. For many years, the State has funded programs to enable Michigan residents of modest means to choose independent colleges and to encourage and sustain the vitality and invaluable service of these colleges to the people of Michigan.

The services and enormous savings to Michigan and the invaluable contribution to our citizens, performed by Michigan's independent colleges as highlighted in this document, are made possible by the State's reasonable and relatively modest investment in the Michigan Tuition Grant program. Longstanding public policy in Michigan (as in virtually all other states) has recognized the wise and important policy principles of:

... enabling Michigan residents of modest means to choose independent colleges when they best meet their needs, thus assuring freedom of higher education choice for Michigan residents not limited by income or background;

- ... preserving diversity and competition in our pluralistic higher education system by encouraging a strong and effective independent sector in higher education;
- ... providing some semblance of equity for Michigan residents and taxpayers who choose independent colleges at great financial sacrifice;
- ... continuing the excellent and unique educational, cultural, societal and economic services of independent colleges through a reasonable investment; and
- ... sustaining in the process substantial taxpayer savings (exceeding \$340 million a year) for the people and State of Michigan.

Without the current State assistance, tens of thousands of Michigan residents could not afford to attend independent colleges and would be forced to drop out or transfer to public institutions (at a much higher cost to the taxpayers). It would be impossible for independent colleges to continue to serve the people of Michigan as they do now. And our pluralistic system of higher education as we know it would be dismantled or irreparably damaged.

A PARTNERSHIP PLEDGE OF STRONG STEWARDSHIP

With Michigan's continued support, our independent colleges and universities pledge to continue to effectively and economically provide quality, successful higher education services and choices to Michigan residents from all incomes and walks of life. Michigan's independent colleges value greatly and affirm their commitment to the strong partnership between our colleges, the State of Michigan's significant support, the Federal assistance programs, private charitable support, and the sacrificial contributions of students and families, which together make this possible. The vital State-funded student aid along with independent college institutionally-funded student aid and private scholarships plus federal student aid and \$425 million in total loan volume makes it possible for needy Michigan residents to attend independent colleges (who even then still face very significant and disproportionate unmet need according to the need analysis system).

Our independent, nonprofit colleges and universities take very seriously their role and responsibility to serve this State and society. Truly they are "private colleges serving the public interest."

RESTRAINING TUITIONS & CONTAINING COSTS BUT SUSTAINING QUALITY

Since on average more than 90% of the cost of educating a student in Michigan independent colleges must come from tuition revenues, our colleges are deeply concerned about affordability. They work diligently to hold their tuitions as low as possible while sustaining high quality and retaining currency in

curriculum in a technological world. These colleges are strongly committed to tuition restraint to the fullest extent possible, in order to remain affordable to their students and, quite frankly, because they must compete in the marketplace to survive.

For the 2004-05 academic year, the average tuition at Michigan independent colleges and universities was \$15,859. While this necessary tuition cost is a challenge for the students and families we serve, it is well below the national four-year independent college average. Over the last 10 years, Michigan independent college tuitions have increased by a modest annual average of only 5.3%. That evidences the strong commitment of Michigan independent colleges to remain affordable to Michigan citizens.

Through the years, independent colleges have enacted a variety of creative and effective cost containment measures to help hold down tuition. They enjoy a well-deserved reputation for management efficiency, and for holding down administrative costs. Their salaries on average are significantly lower than other sectors (which can be a concern) and their average faculty teaching loads tend to be higher. Groups of Michigan independent colleges have collaborated on joint programs and special initiatives to reduce and contain costs, including a Workers' Compensation Self-Insurers' Fund administered by this Association.

PARTNERSHIP WITH COMMUNITIES

Independent colleges are part of the very infrastructure of Michigan. In 46 communities throughout Michigan, our independent colleges and universities actively contribute to their communities through educational service, economic development, local leadership and voluntary activities. They work closely with the corporate community, local agencies and government in economic development and, in some areas, job training endeavors. Their libraries and facilities are available as local resources. Their administrators and faculty involve themselves in the life and leadership of the community. Their students engage in a variety of volunteer service activities.

As earlier noted, compositely, Michigan independent colleges exercise a positive annual economic impact of more than \$5.5 billion in this State and its communities.

PARTNERSHIP WITH BUSINESS

Independent colleges and the State continue to partner with the business community in a variety of ways to meet the needs of the business world and to help stimulate the economy.

PARTNERSHIP WITH K-12 EDUCATION

Michigan independent higher education expresses its continuing commitment to contribute to educational quality and reform in partnership with K-12 education.

Seventeen Michigan independent colleges offer excellent, accredited teacher education programs, approved and recognized by the State Board of Education. Four others are in the process of obtaining State approval for new teacher education programs. Independent colleges trained many of the teachers of today and are preparing many of the teachers of tomorrow. Their graduates remain in great demand by the public and private schools of this State. But far beyond the discipline of teacher education, independent colleges and universities around the State work closely and cooperatively with their local school districts. Independent colleges provide expertise, support and leadership to the schools and communities of this State.

The State has recognized this dynamic partnership of independent colleges with K-12 education in various educational reforms and initiatives.

POSITIVE RELATIONSHIP WITH PUBLIC UNIVERSITIES

Our Michigan independent colleges and universities value greatly their relationship and partnership with the public universities and community colleges in the pluralistic higher education system heretofore discussed. We affirm our respect and admiration for our State's excellent public universities. We welcome opportunities to work closely and cooperatively with our colleagues from the public university and community college sectors. Our independent colleges accept many transfer students from community colleges. And many of our baccalaureate graduates move on to great success in graduate and professional programs in public universities. Our Association has consistently urged support in the State Budget for all of higher education in Michigan, public as well as independent.

Wise leadership is urgently needed to preserve the Michigan Tuition Grant funding and thus sustain the invaluable and irreplaceable contribution of Michigan independent higher education to this State's economic vitality and quality of life.

EOB:klh:05.2.1.1